
HOUSE BILL No. 1813

DIGEST OF INTRODUCED BILL

Citations Affected: IC 12-7-2; IC 12-15; IC 12-16; IC 12-17.7; IC 12-17.8.

Synopsis: Indigent health care. Implements the uninsured parents program to provide health benefits to uninsured parents of children enrolled in the Medicaid program and revises the hospital care for the indigent program. Requires each county to impose an annual property tax levy based upon the amount of indigent care provided to that county's residents. A county's property tax collections are used to pay physicians and ambulance providers for the emergency services they provide to the county's indigent residents requiring emergency medical care, and for the nonfederal share of: (1) payments to hospitals for the emergency services they provide to the county's indigent residents requiring emergency medical care; and (2) Medicaid expenditures for health benefits provided to uninsured parents of children enrolled in the Medicaid program.

Effective: July 1, 2003.

Crawford

_____, read first time and referred to Committee on _____

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1813

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 12-7-2-69, AS AMENDED BY P.L.1-2002,
2 SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2003]: Sec. 69. (a) "Division", except as provided in
4 subsections (b) and (c), refers to any of the following:

5 (1) The division of disability, aging, and rehabilitative services
6 established by IC 12-9-1-1.

7 (2) The division of family and children established by
8 IC 12-13-1-1.

9 (3) The division of mental health and addiction established by
10 IC 12-21-1-1.

11 (b) The term refers to the following:

12 (1) For purposes of the following statutes, the division of
13 disability, aging, and rehabilitative services established by
14 IC 12-9-1-1:

15 (A) IC 12-9.

16 (B) IC 12-10.

17 (C) IC 12-11.



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- 1 (D) IC 12-12.
- 2 (2) For purposes of the following statutes, the division of family
- 3 and children established by IC 12-13-1-1:
- 4 (A) IC 12-13.
- 5 (B) IC 12-14.
- 6 (C) IC 12-15.
- 7 (D) IC 12-16.
- 8 ~~(E) IC 12-16.1.~~
- 9 ~~(F)~~ (E) IC 12-17.
- 10 ~~(G)~~ (F) IC 12-17.2.
- 11 ~~(H)~~ (G) IC 12-17.4.
- 12 ~~(I)~~ (H) IC 12-18.
- 13 ~~(J)~~ (I) IC 12-19.
- 14 ~~(K)~~ (J) IC 12-20.
- 15 (3) For purposes of the following statutes, the division of mental
- 16 health and addiction established by IC 12-21-1-1:
- 17 (A) IC 12-21.
- 18 (B) IC 12-22.
- 19 (C) IC 12-23.
- 20 (D) IC 12-25.
- 21 (c) With respect to a particular state institution, the term refers to
- 22 the division whose director has administrative control of and
- 23 responsibility for the state institution.
- 24 (d) For purposes of IC 12-24, IC 12-26, and IC 12-27, the term
- 25 refers to the division whose director has administrative control of and
- 26 responsibility for the appropriate state institution.
- 27 SECTION 2. IC 12-7-2-110, AS AMENDED BY P.L.120-2002,
- 28 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 29 JULY 1, 2003]: Sec. 110. "Hospital" means the following:
- 30 (1) For purposes of IC 12-15-11.5, the meaning set forth in
- 31 IC 12-15-11.5-1.
- 32 (2) For purposes of IC 12-15-18, the meaning set forth in
- 33 IC 12-15-18-2.
- 34 (3) For purposes of IC 12-16, except IC 12-16-1, **and for purposes**
- 35 **of IC 12-16.1,** the term refers to a hospital licensed under
- 36 IC 16-21.
- 37 SECTION 3. IC 12-7-2-164, AS AMENDED BY P.L.120-2002,
- 38 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 39 JULY 1, 2003]: Sec. 164. "Resident" has the following meaning:
- 40 (1) For purposes of IC 12-10-15, the meaning set forth in
- 41 IC 12-10-15-5.
- 42 (2) For purposes of IC 12-16, except IC 12-16-1, **and for purposes**

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of ~~IC 12-16-1~~, an individual who has actually resided in Indiana for at least ninety (90) days.

(3) For purposes of IC 12-20-8, the meaning set forth in IC 12-20-8-1.

(4) For purposes of IC 12-24-5, the meaning set forth in IC 12-24-5-1.

SECTION 4. IC 12-15-15-9, AS AMENDED BY P.L.120-2002, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 9. (a) ~~Subject to subsections (e), (f), (g), and (h),~~ **For purposes of this section, a claim is considered to be attributable to a county if the claim is for emergency services under IC 12-16-2.5 through IC 12-16-16.5 rendered by hospitals, physicians, or emergency transportation providers to:**

(1) patients who were residents of the county; or

(2) patients:

(A) who were not residents of Indiana and became in need of medical care in the county;

(B) whose state of residence could not be determined by the division and who became in need of medical care in the county; or

(C) whose county of residence in Indiana could not be determined by the division and who became in need of medical care in the county.

(b) For each state fiscal year ending ~~June 30, 1998; June 30, 1999; June 30, 2000; June 30, 2001; June 30, 2002;~~ after June 30, 2003, and June 30, 2004; a hospital licensed under IC 16-21-2 that had one (1) or more approved claims under IC 12-16-2.5 through IC 12-16-16.5 for hospital admissions that occurred during the state fiscal year is entitled to a payment under this section.

(b) Subject to subsections (e), (f), (g), and (h), total payments to hospitals under this section for a state fiscal year shall be equal to all amounts transferred from the state hospital care for the indigent fund established under ~~IC 12-16~~ or ~~IC 12-16-1~~ for Medicaid current obligations during the state fiscal year, including amounts of the fund appropriated for Medicaid current obligations:

(c) The payment due to a hospital under this section must be based on a policy developed by the office. The policy:

(1) is not required to provide for equal payments to all hospitals;

(2) must attempt, to the extent practicable as determined by the office, to establish a payment rate that minimizes the difference between the aggregate amount paid under this section to all hospitals in a county for a state fiscal year and the amount of the

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1 county's hospital care for the indigent property tax levy for that
2 state fiscal year; and

3 (3) must provide that no hospital will receive a payment under
4 this section less than the amount the hospital received under
5 IC 12-15-15-8 for the state fiscal year ending June 30, 1997.

6 (d) Following the transfer of funds under subsection (b); an amount
7 equal to the amount determined in the following STEPS shall be
8 deposited in the Medicaid indigent care trust fund under
9 IC 12-15-20-2(2) and used to fund a portion of the state's share of the
10 disproportionate share payments to providers for the state fiscal year:

11 STEP ONE: Determine the difference between:

12 (A) the amount transferred from the state hospital care for the
13 indigent fund under subsection (b); and

14 (B) thirty-five million dollars (\$35,000,000):

15 STEP TWO: Multiply the amount determined under STEP ONE
16 by the federal medical assistance percentage for the state fiscal
17 year:

18 (e) If funds are transferred under IC 12-16-14.1-2(e), those funds
19 must be used for the state's share of funding for payments to hospitals
20 under this subsection. A payment under this subsection shall be made
21 to all hospitals that received a payment under this section for the state
22 fiscal year beginning July 1, 2003; and ending June 30, 2004. Payments
23 under this subsection shall be in proportion to each hospital's payment
24 under this section for the state fiscal year beginning July 1, 2003; and
25 ending June 30, 2004.

26 (f) If the office does not implement an uninsured parents program
27 as provided for in IC 12-17.7 before July 1, 2005; and funds are
28 transferred under IC 12-16-14.1-3; a hospital is entitled to a payment
29 under this section for the state fiscal year beginning on July 1, 2004.
30 Payments under this subsection shall be made after July 1, 2005; but
31 before December 31, 2005.

32 (g) If the office does not implement an uninsured parents program
33 as provided for in IC 12-17.7 before July 1, 2005; a hospital is entitled
34 to a payment under this section for state fiscal years ending after June
35 30, 2005:

36 (h) If funds are transferred under IC 12-17.7-9-2; those funds shall
37 be used for the state's share of payments to hospitals under this
38 subsection. A payment under this subsection shall be made to all
39 hospitals that received a payment under this section for the state fiscal
40 year beginning July 1, 2003; and ending June 30, 2004. Payments
41 under this subsection shall be in proportion to each hospital's payment
42 under this section for the state fiscal year beginning July 1, 2003; and



ending June 30, 2004.

(c) For a state fiscal year, the office shall pay to a hospital referred to in subsection (b) the amount based on information obtained from the division and the calculations and allocations made under IC 12-16-7.5-4.5 that the office determines for the hospital under STEP SIX of the following STEPS:

STEP ONE: Identify:

- (A) each hospital that had one (1) or more claims approved under IC 12-16-2.5 through IC 12-16-16.5 for hospital admissions that occurred during the state fiscal year; and
- (B) the county to which each approved claim is attributable.

STEP TWO: For each county identified in STEP ONE, identify:

- (A) each hospital with one (1) or more approved claims attributable to the county for hospital admissions that occurred during the state fiscal year; and
- (B) the total amount of each hospital's approved claims attributable to the county for hospital admissions that occurred during the state fiscal year.

STEP THREE: For each county identified in STEP ONE, identify the amount of county funds transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5(c) STEP FOUR.

STEP FOUR: For each hospital identified in STEP ONE, with respect to each county identified in STEP ONE, calculate the hospital's percentage share of the county's funds transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5(c) STEP FOUR. Each hospital's percentage share is based on the total amount of the hospital's approved claims attributable to the county for hospital admissions that occurred during the state fiscal year, calculated as a percentage of the total amount of all approved hospital claims attributable to the county for hospital admissions that occurred during the state fiscal year.

STEP FIVE: For each hospital identified in STEP ONE, with respect to each county identified in STEP ONE, multiply the hospital's percentage share calculated under STEP FOUR by the amount of the county's funds transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5(c) STEP FOUR.

STEP SIX: Determine the sum of all amounts calculated

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under STEP FIVE for each hospital identified in STEP ONE with respect to each county identified in STEP ONE.

(d) A hospital's payment under subsection (c) is in the form of a Medicaid add-on payment. The office shall make the payments under subsection (c) before December 15 that next succeeds the end of the state fiscal year.

(e) The nonfederal share of a payment to a hospital under subsection (c) is derived from the funds transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5(c) STEP FOUR by each county to which at least one (1) approved claim of the hospital for a hospital admission that occurred during the state fiscal year was attributed. The amount to be derived from the county's transferred funds is the amount that bears the same proportion to the total amount transferred by all such counties that the total amount of the hospital's approved claims attributable to the county for hospital admissions that occurred during the state fiscal year bears to the total amount of all approved hospital claims attributable to the county for hospital admissions that occurred during the state fiscal year.

SECTION 5. IC 12-15-15-9.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 9.5. (a) For purposes of this section, a claim is considered to be attributable to a county if the claim is for emergency services rendered by hospitals, physicians, or emergency transportation providers under IC 12-16-2.5 through IC 12-16-16.5 to:

(1) patients who were residents of the county; or

(2) patients:

(A) who were not residents of Indiana and became in need of medical care in the county;

(B) whose state of residence could not be determined by the division and who became in need of medical care in the county; or

(C) whose county of residence in Indiana could not be determined by the division and who became in need of medical care in the county.

(b) For each state fiscal year ending after June 30, 2003, a hospital licensed under IC 16-21-2:

(1) that had one (1) or more approved claims under IC 12-16-7.5 for hospital admissions that occurred during the state fiscal year; and

(2) whose payment under section 9(c) of this chapter was less

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1 than the total amount of the hospital's approved claims for
2 hospital admissions that occurred during the state fiscal year;
3 is entitled to a payment under this section.

4 (c) For a state fiscal year, the office shall pay to a hospital
5 referred to in subsection (b) the amount based on information
6 obtained from the division and the calculations and allocations
7 made under IC 12-16-7.5-4.5 that the office determines for the
8 hospital under STEP EIGHT of the following STEPS:

9 STEP ONE: Identify each county whose transfer of funds to
10 the Medicaid indigent care trust fund under
11 IC 12-16-7.5-4.5(c) STEP FOUR for the state fiscal year was
12 less than the amount of the total amount of all hospital claims
13 attributable to the county for hospital admissions occurring
14 during the state fiscal year.

15 STEP TWO: For each county identified in STEP ONE,
16 calculate the difference between the amount of funds
17 transferred by the county to the Medicaid indigent care trust
18 fund under IC 12-16-7.5-4.5(c) STEP FOUR for the state
19 fiscal year and the total amount of all hospital claims
20 attributable to the county for hospital admissions that
21 occurred during the state fiscal year.

22 STEP THREE: Determine the sum of the amounts calculated
23 for each county under STEP TWO.

24 STEP FOUR: Identify each hospital whose payment under
25 section 9(c) of this chapter was less than the total amount of
26 the hospital's approved claims for hospital admissions that
27 occurred during the state fiscal year.

28 STEP FIVE: Calculate for each hospital identified in STEP
29 FOUR the difference between the hospital's payment under
30 section 9(c) of this chapter and the total amount of the
31 hospital's approved claims for hospital admissions that
32 occurred during the state fiscal year.

33 STEP SIX: Determine the sum of the amounts calculated for
34 each hospital under STEP FIVE.

35 STEP SEVEN: For each hospital identified in STEP FOUR,
36 calculate the hospital's percentage share of the amount
37 calculated under STEP THREE. Each hospital's percentage
38 share is based on the amount calculated for the hospital under
39 STEP FIVE calculated as a percentage of the total amount
40 calculated for all hospitals under STEP SIX.

41 STEP EIGHT: For each hospital identified in STEP FOUR,
42 multiply the hospital's percentage share calculated under

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STEP FIVE by the amount calculated under STEP THREE.

(d) A hospital's payment under subsection (c) is in the form of a Medicaid add-on payment. The office shall make the payments under subsection (c) before December 15 that next succeeds the end of the state fiscal year.

(e) The nonfederal share of a payment to a hospital under subsection (c) is derived from funds transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5(c) STEP FOUR. To the extent possible, the funds may be derived from the funds transferred by each county identified in subsection (c), STEP ONE, to which at least one (1) approved claim of the hospital for a hospital admission that occurred during the state fiscal year was attributed. For this purpose, the amount to be derived from such a county's transferred funds is an amount that bears the same proportion to the total amount of funds transferred by all such counties identified in subsection (c), STEP ONE, that the amount calculated for the hospital under subsection (c), STEP FIVE, bears to the amount calculated under subsection (c), STEP SIX.

(f) Except as provided in subsection (g), the office may not make a payment under this section until the payments due under section 9 of this chapter for the state fiscal year have been made.

(g) If a hospital appeals a decision by the office regarding the hospital's payment under section 9 of this chapter, the office may make payments under this section before all payments due under section 9 of this chapter are made if:

- (1) a delay in one (1) or more payments under section 9 of this chapter resulted from the appeal; and
- (2) the office determines that making payments under this section while the appeal is pending will not unreasonably affect the interests of the hospitals eligible for a payment under this section.

SECTION 6. IC 12-15-20-2, AS AMENDED BY P.L.120-2002, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. The Medicaid indigent care trust fund is established to pay the ~~state's~~ **nonfederal** share of the following:

- (1) Enhanced disproportionate share payments to providers under IC 12-15-19-1.
- (2) Subject to subdivision (5), disproportionate share payments to providers under IC 12-15-19-2.1.
- (3) Medicaid payments for pregnant women described in IC 12-15-2-13 and infants and children described in IC 12-15-2-14.



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(4) Municipal disproportionate share payments to providers under IC 12-15-19-8.

(5) **Payments to hospitals under IC 12-15-15-9.**

(6) **Payments to hospitals under IC 12-15-15-9.5.**

(7) Of the intergovernmental transfers deposited into the Medicaid indigent care trust fund, the following apply:

(A) The entirety of the intergovernmental transfers deposited into the Medicaid indigent care trust fund for state fiscal years ending on or before June 30, 2000, shall be used to fund the state's share of the disproportionate share payments to providers under IC 12-15-19-2.1.

(B) Of the intergovernmental transfers deposited into the Medicaid indigent care trust fund for the state fiscal year ending June 30, 2001, an amount equal to one hundred percent (100%) of the total intergovernmental transfers deposited into the Medicaid indigent care trust fund for the state fiscal year beginning July 1, 1998, and ending June 30, 1999, shall be used to fund the state's share of disproportionate share payments to providers under IC 12-15-19-2.1. The remainder of the intergovernmental transfers, if any, for the state fiscal year shall be used to fund the state's share of additional Medicaid payments to hospitals licensed under IC 16-21 pursuant to a methodology adopted by the office.

(C) Of the intergovernmental transfers deposited into the Medicaid indigent care trust fund, for state fiscal years beginning July 1, 2001, **and** July 1, 2002, ~~and July 1, 2003~~, an amount equal to:

(i) one hundred percent (100%) of the total intergovernmental transfers deposited into the Medicaid indigent care trust fund for the state fiscal year beginning July 1, 1998; minus

(ii) an amount equal to the amount deposited into the Medicaid indigent care trust fund under IC 12-15-15-9(d) for the state fiscal years beginning July 1, 2001, **and** July 1, 2002; ~~and July 1, 2003~~;

shall be used to fund the state's share of disproportionate share payments to providers under IC 12-15-19-2.1. The remainder of the intergovernmental transfers, if any, must be used to fund the state's share of additional Medicaid payments to hospitals licensed under IC 16-21 pursuant to a methodology adopted by the office.

(D) Of the intergovernmental transfers deposited into the

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Medicaid indigent care trust fund for state fiscal years ending after June 30, ~~2004~~, **2003**, an amount equal to:

(i) one hundred percent (100%) of the total intergovernmental transfers deposited into the Medicaid indigent care trust fund for the state fiscal year beginning July 1, 1998, and ending June 30, 1999; minus

(ii) an amount equal to the amount deposited into the Medicaid indigent care trust fund under ~~IC 12-15-15-9(d)~~ **IC 12-16-7.5-4.5(c) STEP FOUR** for the state fiscal year ending **after** June 30, ~~2004~~, **2003**;

shall be used to fund the ~~state's~~ **nonfederal** share of disproportionate share payments to providers under IC 12-15-19-2.1. The remainder of the intergovernmental transfers, if any, for the state fiscal years shall be ~~transferred to used to fund, in descending order of priority, the nonfederal share of payments to hospitals under IC 12-15-15-9, the nonfederal share of payments to hospitals under IC 12-15-15-9.5, and the nonfederal share of payments under the state uninsured parents program fund established under IC 12-17.8-2-1 to fund the state's share of funding for the uninsured parents program established under IC 12-17.7.~~

(E) If the office does not implement an uninsured parents program as provided for in IC 12-17.7 before July 1, 2005, the intergovernmental transfers transferred to the state uninsured parents program fund under clause (B) shall be returned to the Medicaid indigent care trust fund to be used to fund the state's share of Medicaid add-on payments to hospitals licensed under IC 16-21 under a payment methodology which shall be developed by the office.

(F) If funds are transferred under IC 12-17.7-9-2 or IC 12-17.8-2-4(d) to the Medicaid indigent care trust fund, the funds shall be used to fund the state's share of Medicaid add-on payments to hospitals licensed under IC 16-21 under a payment methodology which the office shall develop.

SECTION 7. IC 12-16-2.5-2, AS ADDED BY P.L.120-2002, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. The division shall adopt necessary forms to be used by the patients, hospitals, physicians, **emergency transportation providers**, and county offices in carrying out the hospital care for the indigent program.

SECTION 8. IC 12-16-4.5-1, AS ADDED BY P.L.120-2002,



SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. **(a)** To receive payment from the division for the costs incurred in providing care to an indigent person, a hospital must file an application **regarding the patient** with the ~~county office of the county in which the hospital is located~~ **division**.

(b) Upon receipt of an application under subsection (a), the division shall determine if the patient is a resident of Indiana and, if so, the patient's county of residence. If the patient is a resident of Indiana, the division shall provide a copy of the application to the county office of the patient's county of residence. If the patient is not a resident of Indiana, the division shall provide a copy of the application to the county office of the county in which the patient became in need of medical care. If the division cannot determine if the patient is a resident of Indiana or, if the patient is a resident, the patient's county of residence, the division shall provide a copy of the application to the county office of the county in which the patient became in need of medical care.

(c) A county office that receives a request from the division shall cooperate with the division in determining if a patient is a resident of Indiana and, if the patient is a resident, if the patient is a resident of the county where the office is located.

SECTION 9. IC 12-16-4.5-2, AS ADDED BY P.L.120-2002, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. A hospital must file the application with ~~a county office~~ **the division** not more than thirty (30) days after the patient has been admitted to the hospital, unless the patient is medically unable and the next of kin or legal representative is unavailable.

SECTION 10. IC 12-16-5.5-1, AS ADDED BY P.L.120-2002, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. ~~A county office~~ **The division** shall, upon receipt of an application of a patient admitted to a hospital, promptly investigate to determine the patient's eligibility under the hospital care for the indigent program. **The county office located in:**

- (1) the county where the patient is a resident; or**
- (2) the county where the patient became in need of medical care if the patient's Indiana residency or county of residence cannot be determined;**

shall cooperate with the division in determining the patient's eligibility under the program.

SECTION 11. IC 12-16-5.5-3, AS ADDED BY P.L.120-2002, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. If the division ~~or county office~~ is unable after

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prompt and diligent efforts to verify information contained in the application that is reasonably necessary to determine eligibility, the division ~~or county office~~ may deny assistance under the hospital care for the indigent program.

SECTION 12. IC 12-16-5.5-4, AS ADDED BY P.L.120-2002, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. The division ~~or county office~~ shall notify in writing the patient and the hospital of the following:

- (1) A decision concerning eligibility.
- (2) The reasons for a denial of eligibility.
- (3) That either party has the right to appeal the decision.

SECTION 13. IC 12-16-6.5-1, AS ADDED BY P.L.120-2002, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. If the division ~~or county office~~ determines that a patient is not eligible for payment of medical or hospital care, an affected person may appeal to the division not later than ninety (90) days after the mailing of notice of that determination to the affected person at the person's last known address.

SECTION 14. IC 12-16-6.5-2, AS ADDED BY P.L.120-2002, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. If the division: ~~or county office~~:

- (1) fails to complete an investigation and determination of eligibility under the hospital care for the indigent program not more than forty-five (45) days after the receipt of the application filed under IC 12-16-4.5; or
 - (2) fails or refuses to accept responsibility for payment of medical or hospital care under the hospital care for the indigent program;
- a person affected may appeal to the division not more than ninety (90) days after the receipt of the application filed under IC 12-16-4.5.

SECTION 15. IC 12-16-7.5-1, AS ADDED BY P.L.120-2002, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. The division shall pay the following, subject to the limitations in section ~~4~~ **5** of this chapter:

- (1) The necessary costs of medical or hospital care for indigent patients.
- (2) The cost of transportation to the place of treatment arising out of the medical care.

SECTION 16. IC 12-16-7.5-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 2.5. Except as provided in section 5 of this chapter, claims for payment shall be segregated by year using the patient's admission date.**

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SECTION 17. IC 12-16-7.5-4.5 IS ADDED TO THE INDIANA
CODE AS A NEW SECTION TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2003]: **Sec. 4.5. (a) Not later than October 31**
following the end of each state fiscal year, the division shall:

(1) calculate for each county the total amount of approved
claims for hospital admissions that occurred during the state
fiscal year for emergency services rendered by hospitals,
physicians, and emergency transportation providers under
this article to:

(A) patients who were residents of the county; and

(B) patients:

(i) who were not residents of Indiana and became in need
of medical care in the county;

(ii) whose state of residence could not be determined by
the division and who became in need of medical care in
the county; or

(iii) whose county of residence in Indiana could not be
determined by the division and who became in need of
medical care in the county;

(2) notify each county of the calculation made for the county
under subdivision (1);

(3) with respect to approved claims attributable to a county:

(A) calculate the total amount of approved claims for
hospital admissions that occurred during the state fiscal
year for:

(i) each hospital;

(ii) each physician; and

(iii) each emergency transportation provider; and

(B) determine the amount of each approved claim for each
entity listed in clause (A).

(b) Not later than three (3) business days after receiving the
notice referred to in subsection (a)(2), a county shall transfer from
its county hospital care for the indigent fund to the state hospital
care for the indigent fund an amount equal to the lesser of:

(1) the amount calculated by the division for the county under
subsection (a)(1); or

(2) the amount on deposit in the county's hospital care for the
indigent fund.

(c) Upon receipt of the amount of funds to be transferred by a
county under subsection (b) and before November 1 after the end
of a state fiscal year, the division shall allocate the funds received
from a county under STEPS FOUR and FIVE of the following

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1 **STEPS:**

2 **STEP ONE:** Determine the total amount of funds received
3 from a county under subsection (b).

4 **STEP TWO:** Of the total amount of claims approved during
5 the state fiscal year attributable to the county, calculate the
6 percentage attributable to total hospital claims, total
7 physician claims, and total emergency transportation
8 provider claims.

9 **STEP THREE:** Multiply the amount determined under STEP
10 ONE by the percentages calculated under STEP TWO.

11 **STEP FOUR:** Transfer the amount calculated under STEP
12 THREE attributable to the amount of total hospital claims to
13 the Medicaid indigent care trust fund for purposes of
14 IC 12-15-20-2.

15 **STEP FIVE:** The division shall retain the amounts calculated
16 under STEP THREE attributable to the amounts of total
17 physician claims and total emergency transportation provider
18 claims for purposes of making payments under section 5 of
19 this chapter.

20 SECTION 18. IC 12-16-7.5-5, AS ADDED BY P.L.120-2002,
21 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 JULY 1, 2003]: Sec. 5. Before **December 15 following** the end of each
23 state fiscal year, the division shall, ~~to the extent there is money in the~~
24 ~~state hospital care for the indigent fund; from the combined amounts~~
25 **retained under section 4.5(c) STEP FIVE of this chapter,** pay each
26 **physician and emergency transportation provider under the hospital**
27 **care for the indigent program a pro rata part of the one-third (1/3)**
28 **balance on each approved claim for patients admitted during the**
29 **preceding year: that amount.**

30 SECTION 19. IC 12-16-7.5-11, AS ADDED BY P.L.120-2002,
31 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JULY 1, 2003]: Sec. 11. Providers eligible for payment under
33 IC 12-15-15-9:

34 **(1) may not receive payment under this chapter; and**

35 **(2) must file applications and claims as required under this**
36 **article and IC 12-15-15-9.**

37 SECTION 20. IC 12-16-7.5-14 IS ADDED TO THE INDIANA
38 CODE AS A NEW SECTION TO READ AS FOLLOWS
39 [EFFECTIVE JULY 1, 2003]: **Sec. 14. (a) A provider of medical care**
40 **rendered in the hospital care for the indigent program in a state**
41 **fiscal year qualifies for payment under the program only if the**
42 **provider:**

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(1) makes the claim:

(A) on a form; or

(B) in a format;

approved by the division or its designee;

(2) includes in the claim all information required by the division; and

(3) except as provided in subsection (b), (c), or (d), files the claim with the division by:

(A) delivery to the division; or

(B) mail postmarked;

not later than October 1 that next succeeds the end of the state fiscal year.

(b) The division may waive the filing deadline under subsection (a)(3) if the division determines to its reasonable satisfaction that the provider was prevented from filing a timely claim for any of the following reasons:

(1) An action of:

(A) the division; or

(B) a county office;

prevented timely filing.

(2) The provider made continuous, bona fide attempts to obtain payment from another liable payor.

To obtain a waiver under this subsection, the provider must submit a letter requesting waiver of the deadline accompanied by appropriate supporting documentation.

(c) A provider may submit an amended claim under this subsection only if:

(1) the provider submitted a claim for the state fiscal year that complied with subsection (a);

(2) the division:

(A) returned the claim to the provider; and

(B) directed the provider to correct and resubmit the claim; and

(3) the provider files the claim with the division in the corrected form required by the division by:

(A) delivery to the division; or

(B) mail postmarked;

not later than October 1 that next succeeds the end of the state fiscal year immediately following the state fiscal year for which the claim is filed.

For purposes of payment, the division shall treat the amended claim as a claim originating in the state fiscal year in which it is

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received by the division.

(d) A provider may submit a revised claim under this subsection only if:

(1) the revised claim arises from a successful provider or recipient appeal;

(2) with respect to a revised claim for a state fiscal year based on an appeal decision issued more than fifteen (15) days before the deadline under subsection (a) for claims for that year, the provider files the claim with the division by:

(A) delivery to the division; or

(B) mail postmarked;

not later than that deadline;

(3) with respect to a revised claim for a state fiscal year based on an appeal decision issued less than sixteen (16) days before the deadline under subsection (a) for claims for that year, the provider files the claim with the division by:

(A) delivery to the division; or

(B) mail postmarked;

not later than October 1 that next succeeds the end of the state fiscal year immediately following the state fiscal year for which the claim is filed; and

(4) the provider includes with the revised claim information documenting the appeal decision.

For purposes of payment, the division shall treat the revised claim as a claim originating in the state fiscal year in which it is received by the division.

(e) The division may approve a claim referred to in subsection (a), (b), (c), or (d) only:

(1) if the division determines that the claimant is financially and medically eligible for the hospital care for the indigent program; and

(2) using:

(A) the current rate of reimbursement that a hospital would have received as a Medicaid provider at the fee for service Medicaid rate for having rendered the same service; or

(B) the Medicaid fee for service rate of reimbursement that a nonhospital provider would have received as a Medicaid provider for having rendered the same service.

SECTION 21. IC 12-16-12.5-3, AS ADDED BY P.L.120-2002, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. The hospital providing care shall, **subject to**

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the requirements of the federal Emergency Medical Treatment and Active Labor Act (42 U.S.C. 1395dd), transfer the patient to a hospital operated by the health and hospital corporation as soon as the attending physician determines that the patient's medical condition permits the transfer without injury to the patient.

SECTION 22. IC 12-16-14-3, AS AMENDED BY P.L.120-2002, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) ~~Except as provided in sections 3.4 and 3.7 of this chapter,~~ For purposes of this section, "patients" refers to:

(1) patients who were residents of the county; and

(2) patients:

(A) who were not residents of Indiana and became in need of medical care in the county;

(B) whose state of residence could not be determined by the division and who became in need of medical care in the county; or

(C) whose county of residence in Indiana could not be determined by the division and who became in need of medical care in the county.

(b) For taxes first due and payable in 2003, 2004, and 2005, each county shall impose a hospital care for the indigent property tax levy equal to the product of:

(1) the county's hospital care for the indigent property tax levy for taxes first due and payable in the preceding year; multiplied by

(2) the county's assessed value growth quotient determined under IC 6-1.1-18.5-2 for the year in which the tax levy under this subsection is first due and payable.

(c) Except as provided in subsections (d) and (e):

(1) for taxes first due and payable in 2006, each county shall impose a hospital care for the indigent property tax levy equal to the product of: (1) for the initial annual levy under this chapter after July 1, 2004: (A) a levy equal to ninety percent (90%) of the hospital care for the indigent property tax levy for taxes first due and payable in calendar year 2004; multiplied by (B) the statewide average assessed value growth quotient; using all the county assessed value growth quotients determined under IC 6-1.1-18.5-2 for the year in which the tax levy under this subdivision will be first due and payable; the average amount of claims approved under this article for emergency care provided to patients during the state fiscal years beginning:

(A) July 1, 2003;

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(B) July 1, 2004; and

(C) July 1, 2005; and

(2) for all subsequent annual levies under this section, ~~(A) a levy equal to the hospital care for the indigent program property tax levy for taxes first due and payable in the preceding calendar year; multiplied by (B) the statewide average assessed value growth quotient, using all the county assessed value growth quotients determined under IC 6-1.1-18.5-2 for the year in which the tax levy under this subdivision will be first due and payable; the average amount of claims approved under this article for emergency care provided to patients during the three (3) most recently completed state fiscal years.~~

(d) A county may not impose an annual levy under subsection (c) in an amount greater than the product of:

(1) the county's hospital care for the indigent property tax levy for taxes first due and payable in 2002; multiplied by

(2) the county's assessed value growth quotient determined under IC 6-1.1-18.5-2 for the year in which the tax levy under subsection (c) will be first due and payable.

(e) Notwithstanding subsections (c) and (d), a county containing a consolidated city shall impose a hospital care for the indigent property tax levy equal to:

(1) for the initial annual levy under this chapter after July 1, 2006, the product of:

(A) the county's hospital care for the indigent property tax levy for taxes first due and payable in calendar year 2006; multiplied by

(B) the county's assessed value growth quotient determined under IC 6-1.1-18.5-2 for the tax levy under this subsection first due and payable in 2007; and

(2) for all subsequent annual levies under this section, the product of:

(A) the county's hospital care for the indigent property tax levy for taxes first due and payable in the preceding calendar year; multiplied by

(B) the county's assessed value growth quotient determined under IC 6-1.1-18.5-2 for the year in which the tax levy under this subsection is first due and payable.

SECTION 23. IC 12-16-14-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. All receipts derived from the tax levy shall:

(1) be paid into the county general fund and constitute the county



hospital care for the indigent fund; and

(2) remain in the county hospital care for the indigent fund until transferred to the state hospital care for the indigent fund under section 6 of this chapter.

SECTION 24. IC 12-16-14-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) The state hospital care for the indigent fund is established.

(b) ~~Before the fifth day of each month,~~ All money contained in a county hospital care for the indigent fund ~~at the end of the preceding month shall be~~ **remains in the fund until the money is** transferred to the state hospital care for the indigent fund **under IC 12-16-7.5-4.5(b).**

SECTION 25. IC 12-17.7-3-1, AS ADDED BY P.L.283-2001, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. (a) Subject to subsection (b), to be eligible to enroll in the program, an individual must meet the following requirements:

- (1) The individual is at least nineteen (19) years of age.
- (2) The individual is a caretaker relative of at least one (1) child in a family with an annual income of:
 - (A) more than the AFDC standard of July 16, 1996; and
 - (B) not more than ~~one hundred eighty~~ percent ~~(100%)~~ **(80%)** of the federal income poverty level.
- (3) The child described in subdivision (2) is enrolled in the Medicaid managed care program for children or another Medicaid program that is otherwise appropriate for the child's age and medical condition.
- (4) The individual resides on a full-time basis with the family described in subdivision (2).
- (5) The individual is a resident of Indiana.

(b) The following is the maximum number of caretaker relatives of a child described in subsection (a)(2) who may enroll in the program:

- (1) Two (2), if the caretaker relatives are:
 - (A) the biological parents of the child and both have legal custody of the child;
 - (B) the adoptive parents of the child and both have legal custody of the child;
 - (C) a biological parent of the child who has legal custody of the child and the adoptive parent of the child; or
 - (D) a biological or adoptive parent of the child who has legal custody of the child and the biological or adoptive parent's spouse if the parent is incapacitated.
- (2) One (1), in the case of a caretaker relative who:

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(A) has legal custody of the child or is a grandparent of the child; and

(B) is not a caretaker relative described in subdivision (1).

(c) The office may adopt rules under IC 4-22-2 to adjust eligibility requirements based on available program resources.

SECTION 26. IC 12-17.7-9-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 1.5. The uninsured parents program implemented and maintained under this article shall terminate upon a revocation or nonrenewal of the demonstration waiver approved by the federal Centers for Medicare and Medicaid Services for purposes of implementing this article.**

SECTION 27. IC 12-17.8-1-0.5, AS ADDED BY P.L.120-2002, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 0.5. This article applies after June 30, ~~2003~~ 2004.**

SECTION 28. IC 12-17.8-2-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 1.5. The state uninsured parents program fund is established.**

SECTION 29. IC 12-17.8-2-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 2.5. (a) The state uninsured parents program fund consists of the following:**

(1) The money transferred to the state uninsured parents program fund under IC 12-15-20-2(5).

(2) Any contributions to the fund from individuals, corporations, foundations, public or private trust funds, or others for the purpose of providing medical assistance to uninsured parents.

(3) The money advanced to the fund under section 5 of this chapter.

(4) The appropriations made specifically to the fund by the general assembly or a state board, trust, or fund.

(5) Any voluntary intergovernmental transfer to the fund.

(b) This section does not obligate the general assembly or any state board, trust, or fund to appropriate money to the state uninsured parents program fund.

SECTION 30. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2003]: IC 12-16-2.5-6; IC 12-16-3.5-5; IC 12-16-4.5-9; IC 12-16-5.5-5; IC 12-16-6.5-8; IC 12-16-7.5-2; IC 12-16-7.5-4; IC 12-16-7.5-13; IC 12-16-8.5-6; IC 12-16-9.5-2; IC 12-16-10.5-6; IC 12-16-11.5-3; IC 12-16-12.5-6; IC 12-16-13.5-3; IC 12-16-14-3.4;

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- 1 IC 12-16-14-3.7; IC 12-16-14.1; IC 12-16-15.5-7; IC 12-16-16.5-4;
- 2 IC 12-16.1; IC 12-17.7-9-1; IC 12-17.8-1-3; IC 12-17.8-2-1;
- 3 IC 12-17.8-2-2.

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